

## DAZL final report

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Joan Clark, Arizona State Librarian  
Arizona State Library, Archives Public Records  
State Capitol  
1700 W Washington, Room 200  
Phoenix, AZ 85007-2896

Dear Ms. Clark:

As the Digital Arizona Library (DAZL) Working Group Project Manager I have been pleased to coordinate the discussions of librarians from across the state and oversee the investigative efforts of three consultants. The time all of these people have spent on the DAZL project has been devoted to answering two questions. Should the Arizona State Library pursue creating a system to deliver ebooks to Arizona Residents? If yes, how can it be done in a successful and sustainable way?

I am pleased to report that the DAZL Working Group Members and the consultants employed agree that the State Library should pursue the creation of an ebook system for Arizonans. There is a great appetite among librarians in the state and across the nation for library-driven projects like this, and yet there are very few libraries that feel confident enough to take the lead. Based on the research already done, Arizona is perfectly poised to take on this project, and we will have a great deal of support from the library community both in the state and nationwide if we do. Carson Block, in the conclusion to his consultant's report, summed this up eloquently:

*An eBook project is certainly within your grasp. The timing, with the current handful of projects in motion and sharing results, is perfect. Of primary importance is for you to identify Arizona's specific unique vision for eBooks (or eContent) and then use the information gathered in this report and elsewhere to make wise choices on your path to success.*

Recent discussions with other organizations that are pursuing similar projects have only reinforced this assessment. The number of these projects is growing, and the library world is benefiting from them all because each is being done in a somewhat different way. Despite the fact that some projects (like Douglass County and CALIFA) are quite far along, they are not fully developed or robust enough to offer solutions to other libraries. Although they are not prepared to take on additional partners at this time they are very supportive of other projects and sharing data and experience in a highly collaborative way. If we were to proceed we would not have to travel the path alone.

What follows are suggestions for solidifying the vision of the project and background to help all involved make wise and successful choices for developing the Digital Arizona Library. The topics covered include:

- Content Acquisition and Collection Development

- Statistics and usage data
- Librarian and Community involvement in DAZL
- Technical considerations for data exchange and interface development
- Metadata significance
- Funding and cost recovery models

This report is neither prescriptive nor exhaustive; with the rapidly changing publishing and technology environment we live in today, the end result (should the DAZL project proceed) will undoubtedly be something different and amazing. My sincere hope is that you find the following helpful in your decision making process, and that I can continue to be involved in the project as it progresses.

Respectfully Submitted,

Aimee Fifarek  
Library Technologies and Content Senior Manager  
Scottsdale Public Library

The Digital Arizona Library: from fact finding to reality  
February 21, 2013

## **Project Background**

In 2012 several libraries in Arizona researched the feasibility of creating a statewide ebook lending system. In discussions with libraries throughout Arizona, State Library officials heard loudly and clearly that ebook availability was one of the major issues impacting the libraries' ability to serve their customers. Whether it was the cost of ebook systems, the difficulty of getting the content most in demand, or the difficulty of using existing ebooks systems, libraries of all sizes were not able to provide ebooks for their customers with the same ease and flexibility they could print books.

Discussions about these problems at the Arizona State Library conference in 2011 among staff from Pima County Libraries, Scottsdale Public Library, and the Arizona State Library lead to the idea of creating a new ebook platform. An initial plan involved faculty from Arizona State University applying to the NEH for funding to create a self-publishing platform to host material by and about Arizonans. One of the leads on that project experienced a significant health issue and the grant application was unable to go forward. At that point the remaining members of the team decided to go forward and request LSTA funds to explore the feasibility of creating a statewide ebook lending system.

Staff from Pima County Public Libraries and Scottsdale Public Library met three times to craft an LSTA grant request for funds to investigate the legal, technological and library and end user

adoption issues surrounding the creation of a statewide ebook system, tentatively called the Digital Arizona Library, or DAZL. During those discussions it became clear that what the libraries involved needed was more than just self-published materials. While there needed to be a space for this material the system, any successful system would have to also support commercially available materials because this is what was most in demand currently by library patrons.

The grant request for \$65,596.69 was submitted in March 2012 with Aimee Fifarek and Dana Braccia from Scottsdale Public Library listed as Project Directors. During the LSTA review process, Laura Stone from the state library contacted the project's directors to ask for an estimated cost of the project if the platform were to be created immediately. The project directors developed a list of potential costs based on the Douglas County model (the most well-developed project at the time) amounting to approximately \$300,000, with \$100,000 of that being set aside for content acquisition.

The decision was made to proceed with the project at that cost estimate with Aimee Fifarek as the project director. The DAZL working group was augmented with representation from Maricopa County, Yavapai County, additional members of the AZ State Library staff including acting State Librarian Janet Fisher, and members of the Secretary of State's IT Department.

The new larger planning group met three times to address the scope of the project, technological implications for hosting an ebook platform, procurement methodology, training issues, and the digital readiness of the libraries and potential ebook readers the state. These meetings resulted in the decision to hire two sets of consultants. Carson Block, former it director of Poudre River public libraries, was hired to do an environmental scan of ebook platforms being built by libraries. Liz Bishoff and Tom Clarenson were hired to conduct statewide focus groups with librarians and library users to investigate possible governance structures if a separate organization was needed to manage DAZL. Their reports are included in full as appendices to this document.

Two final meetings of the DAZL working group were held in November and December of 2012 to receive the results of the consultants' final reports and attempt to decide how their findings should influence the scope of the project. This report is the synthesis of all of the findings, discussions, and research done for the DAZL project, and includes suggestions for proceeding as well as items to be considered as the scope of the project is solidified.

### **DAZL Scope and Intent**

As a part of the DAZL fact finding efforts the Bishoff Group conducted statewide focus groups in late 2012 with librarians and library patrons. The findings identified a number of common characteristics Arizona Librarians and Library Patrons would like to see in a successful statewide ebook platform:

- Provide content with multiple simultaneous uses, eliminating long reserve lists
- Allow “one-stop shopping” ebook use, integrating e-book services into library catalogs
- Protect the existing investment libraries have already made in e-books

- Provide access to quality content that readers value, with a focus on adult nonfiction and adult and young adult fiction

The focus groups identified the library as a logical provider of ebooks for the community, and there continues to be strong support for traditional library services (content assessment and delivery, metadata development, readers advisory, community building) in this new environment. The DAZL project can most effectively achieve success by creating a new system that does not attempt to replicate existing ebook services but rather complements them.

## **Content and Collection Development**

While much of popular taste is driven by the multi-million dollar marketing budgets of the Big 6 Publishers, large cracks in that taste machine are developing. The rise of self-publishing is creating surprising commercial successes, and small independent presses are becoming more visible in the ebook market. Arizona has many independent publishers and university presses that could easily be tapped for quality econtent. A number of these, like Poison Pen Press in Scottsdale are already selling econtent and have demonstrated a willingness to work with library-driven projects. Impelsys recently announced that they have developed a new ebook acquisition system in conjunction with Douglas

County (<http://www.marketwatch.com/story/impelsys-introduces-ebook-ordering-system-for-libraries-2013-02-14>) proving that there is a critical mass of cooperative publishers available to work with the DAZL project. Large self-publishing outlets like Smashwords are also selling to library-driven projects like Douglas County and CALIFA.

But beyond that, Arizona already has a large number of residents who are would-be authors. They use libraries around the state everyday as their writing spaces, workshops, and increasingly as marketing and distribution channel. DAZL can further the work already being done in the print world by collecting the work of our local content creators, providing them with feedback on their work, and giving them a community in which to flourish regardless of where in Arizona they reside.

Small publishers and self-publishers are also much more likely to consider alternative compensation strategies. George Coe, at the ALA Midwinter ebook committee presentation did not mince words when he said, "publishers aren't going to go for unlimited use." Presumably he meant the Big 6 and other major commercial publishers that his company, Baker and Taylor, is used to dealing with. This is confirmed by Heather Teysko from CALIFA who has told us that a majority of publishers she is dealing with are most comfortable with one copy per user model. However she verifies that some publishers are considering other access models. Increasingly new services are being released with simultaneous access to content that involves pay-per-use rather title by title acquisition. This suggests that pricing for simultaneous use content is a viable option, although given the current environment it is only realistic to ensure that the DAZL system is capable of supporting multiple models for content acquisition.

When dealing directly with authors and rights holders who may not be committed to the one user per copy model, DAZL has the opportunity to offer a different distribution strategy. The library's traditional role is to connect readers and content, and DAZL can do that by allowing rights holders to distribute their content through DAZL under a Creative Commons license. In this way content creators or rights holders are free to market their work and later sell it to a commercial publisher for profit, while DAZL gets the right to make the content available to their patron base without making any claims to ownership of the work. In this way DAZL can be an attractive outlet for emerging authors to distribute their work and not put up any barriers to the author's future commercial success.

What might a potential simultaneous use Creative Commons model look like? DAZL could take in individual works from creators/rights holders at no cost or for a minimal fee to cover record creation, indexing and storage after a Creative Commons contract is signed. The no-cost version would mean that DAZL gets to provide access to the work in perpetuity but would not be an impediment to the content creator signing future deals for payment. For the fee-based option, the work could be made available for a set number of browses and/or downloads. After that number is reached, the creator/rights holder could then start to receive small residual payment per download. The residual payments would be tiered with a maximum total payout so that DAZL would never pay more than a set amount for one title. Once the maximum outlay is reached DAZL would have the right to make the title accessible in perpetuity for no additional cost.

The residuals could be kept in the creator/rights holders account to be used towards future costs of new titles or taken as a payout once the amount reaches a certain level. Most self-published works would not be expected to reach the threshold or even earn residuals. A small publication fee would help DAZL with cost recovery. The promise of residuals would help grow the content creator user base and the library's collection.

This model could be adapted to work for well-known authors should they be interested in participating in the DAZL experiment. An up-front payment to the author could be calculated based on the expected number of downloads for the title. That could be the entirety of the payment or a per-download residual beyond the initial outlay could be negotiated up to a per-title maximum. In this way the author would receive up-front payment based on expected performance with a possible "bonus" payment if the title does exceptionally well. Well-known authors like Stephen King and Margaret Atwood are already publishing independently. An arrangement like this could appeal to writers like them because they get paid, the paying outlet does not make any claims to the exclusivity of the content, and they continue to retain the rights to their work so they can strike multiple such deals and keep all of the profit.

## **Statistics**

Regardless of the type of acquisition method or rights holder compensation strategy adopted by DAZL, both libraries and the contributing rights holders will be expecting to receive detailed statistical reports. This demand provides DAZL with the opportunity to deliver a value-added

service that will attract content creators and rights holders, and provide much needed metrics to the libraries that use and support DAZL.

Most library ebook services provide only a brief range of statistics and reports to the libraries that pay large sums of money for their services. By providing high quality statistical data that incorporates generic info from the users' accounts (city, library, gender, age range, etc) with title usage data (e.g. "95% of readers who browse this title go on to read/download it" or "this subgenre is most read by women in NE Arizona aged 50-65") both the libraries and the content creators will gain a greater understanding of their readers and what they want in their ebooks.

To keep with library traditions of privacy in reading, all stats kept in the DAZL system should be anonymous, meaning that readers' names will never be associated with the usage data. Separate privacy settings should be made available to users for each type of data collected on an opt in or opt out basis as appropriate. This will allow the creators of DAZL to offer controversial services like Reading History and Recommendations based on past reading to those users who see it as essential while not compromising the activity of other users who do not want their activity to be tracked.

To provide further transparency, all raw data and statistical reports could be made available online for anyone to access. Like the government's open data initiative, DAZL might benefit from crowdsourced data crunching by researchers and outside developers who could enhance the value for DAZL participants while helping to prove that individuals' reading activities are not being compromised.

### **Librarian and Community Involvement**

Beyond quality content and extensive usage data, DAZL's unique value proposition is that it is community- and librarian-driven. Current library ebook systems provide no real interaction around ebooks; users have the opportunity write reviews and rank titles but little else. Social book sites, like Goodreads and Library Thing have used online communication tools very effectively to build dedicated fan bases. DAZL could easily encourage adoption and usage by both readers and content creators by incorporating features like the ability to follow favorite reviewers, facility for online author talks and book discussions, and other means of having dialog around particular titles and authors.

Crowdsourcing reviews and ratings can help to create community and raise the profile of previously unknown authors or content. But it also offers the practical benefit of indicating where librarian effort would be best spent in the DAZL database and community. We know that Librarian reviews and suggested reads are well regarded in bookstores and libraries already, so it only makes sense to tap Arizona Librarians to provide the type of Readers Advisory that they are already providing at their libraries.

Interested librarians could participate by rating and recommending any work in the DAZL database at any time. However works that receive a sufficient number of positive ratings and

reviews from readers could "earn" a librarian review. In addition to reviewing, librarians could be tapped to provide subject or read-alike information for individual titles as a way of enhancing metadata. Library staffs are stretched thin across the state, so any options for librarian involvement should be highly automated to make contributing to DAZL as easy and efficient as possible.

### **Technical Considerations for the system and the user interface**

The key to creating an effective online system is to build a simple user interface that is consistent regardless of the platform on which it will be used (phone, tablet, computer). To continue the idea of DAZL as a unique library product, the reader's discovery interface should mimic the library experience, using the language of the reference interview. "I'm looking for books by [this author]/about [this topic]/like [this title]" or "I want to browse [this genre/this subject/everything]" or "if you like [this author] you might also like [this author]."

The participatory aspects of the interface - for those who want to rate, review, or comment in addition to reading - should not only take the best features from book-oriented sites, they should also draw inspiration from Facebook, Twitter, and popular news and magazine sites like Wired and Fast Company that make heavy use of comments and online conversations. If all content creator names and ebook titles referred to in the comments could be cross linked (making use of library-quality metadata), then comments in the social features could also be provided as statistical data.

In light of current library technology development trends, the DAZL interface should not be the only way for library users to get access to content. The majority of major library systems will be offering full ebook integration by the end of this year. What this means is that library customers can go to their library catalog, search for a title, see that the library has an ebook version, and checkout the ebook without having to leave the library catalog. The checked out ebook displays like any other library item in their account record and the library is able to track the circulation statistics accordingly.

Polaris was already demonstrating working integration with the 3M Cloud Library at the ALA Midwinter Conference in Seattle, and Innovative announced integration with Overdrive (for availability information only) in their Encore 5.0 beta product just after the conference. These two vendors, along with Sirsi-Dynix, have committed to releasing integration capabilities in their upcoming releases with 3M, Overdrive and Axis 360 (from Baker & Taylor). ILS integration with Recorded Books and other eContent vendors is also on the horizon.

With this method becoming the library standard, DAZL should not force Arizona library customers into a separate interface. The platform should be prepared to share data with the major library system vendors in use in the state through Application Programming Interfaces (APIs). APIs are small programs that function solely to share data with systems from other vendors. APIs differ from Electronic Data Exchange (EDI) in that APIs can cause actions to happen in the 3rd party system. So a Polaris library patron goes to their catalog and checks out

a 3M title through their catalog. The catalog not only registers that checkout but causes the checkout to happen in the host system so the data is constantly kept in sync.

While ebook integration seems like a daunting prospect, the state currently has information on the ILS's in use in the state. That information could be used to develop APIs for integration with the most popular ILS systems. If that is done at the same time as the social platform is created it would provide both libraries and individuals with multiple ways to access the system, increasing the discoverability options for DAZL content.

The question of authentication and whether DAZL will be available directly to individuals or only with the use of a library card will be determined more by policy decisions than by technology. From a strictly technological perspective there are many methods of authentication that could be easily employed. However because the authentication method will determine the size of the customer base that decision needs to be made prior to pursuing any content contracts.

## **Metadata**

APIs are also critical for content acquisition and ebook metadata. In an ALA Midwinter conversation with SkyRiver bibliographic utility, the President and VP said that they are currently working with 3M to deliver metadata to Cloud Library customers via the 3M API. When a customer orders new titles, the API transmits the key order data - ISBN, title, author, URL to the ebook on the 3M system - to SkyRiver. SkyRiver's matching algorithm then looks for the closest record in the database and the ebook record is generated. Through the eMARC service, if a close match is not already available in the SkyRiver database, staff can find a near match in other systems or create a new record by reviewing the item information provided by the publisher or vendor.

Starting with quality metadata will ensure accessibility for all content whether locally or remotely hosted. DAZL-specific processes could also be created to add librarian-contributed reviews, read alike, etc to the eMARC record, from which it could be harvested and repurposed in a variety of ways. This is another way DAZL can use traditional library practices to great effect in the digital world.

## **Funding**

The state should expect to financially support DAZL for the first three years of its existence. Year one-two will be the system development period. While some large Arizona institutions might be interested in contributing to DAZL development during this time smaller and more cautious institutions may prefer a wait-and-see approach. Partners outside the state could be taken on in the early stages in exchange for development funding commitments and/or certain decision-making rights; that is if they don't require a great deal of special programming. Keeping the development process as simple as possible is key to cost and



timeline control. Based on feedback from libraries developing their own systems there are plenty of interested libraries out there looking to join an existing effort.

If funding beyond LSTA dollars is required during the development period a bold and effective method could be to launch a Kickstarter campaign. Announcing the project with a requested \$10 donation at library conferences locally and nationally would not only raise a tidy chunk of money but raise the profile of the project and most likely lead to national press.

A variety of systems could be implemented to help aid in cost recovery. For instance, the social platform could be made available at no cost to Arizona individuals through GIS or zip code authentication. Libraries wanting integration with their ILS and input into the decision making process could be subscribers charged an annual fee on a cost-recovery basis. When new users first access DAZL, they should see banners that show that their access to DAZL is being made possible by whatever participating library has issued their library card or is nearest to them geographically, in turn raising the profile of participating libraries. The number of options for finding funding beyond LSTA are many and all should be considered in this era of tight budgets.

### **Next Steps**

If the project is green lighted, there are a number of activities that could happen soon rather than later:

- Begin developing RFP for development of the platform and APIs - consult with Quipu Group and technology team at Douglas County on specifications.
- Create budget and development schedule.
- Investigate hosting options (this could wait until developer is contracted). Third party hosting is recommended so that development servers can be on neutral ground for developers, metadata providers, and content contributors to all have equal access and not be impeded by any one organization's firewall policy.
- Develop specs for DAZL Project Manager and hire ASAP. The DAZL Project Manager can be pursuing a separate governance structure and assisting with the State's digital readiness training while overseeing the platform development and content acquisition.

### **Important Upcoming Dates**

March 9-10 - attend Tucson Festival of Books to make contacts with AZ publishers

May 29 - June 1 - attend BEA in New York to begin making other publisher contacts. If pm is in place ask to cost share in the CALIFA bea booth.

June 27-July 2 - American Library Association Conference in Chicago

### **Appendix A: 60 Second Elevator Pitch**

Harvard business school pitch builder

who

The libraries of Arizona are building an ebook lending system based on library principles.

what

The Digital Arizona Library (DAZL) will offer a curated group of always available ebooks to the residents of Arizona through a frictionless interface or their library catalog. DAZL is different because it uses the recognized expertise of librarians to help connect Arizona readers with the ebooks they need or want.

why

Unlike Douglas County and other current projects, DAZL is not concerned with ownership of materials. We are looking to provide Arizonans with access to a broadly appealing range of ebooks. In addition to commercially published material we will be a platform for emerging authors to distribute their work while still retaining their rights to that work. We also will offer rights holders a broad range of statistical usage measures to help them prove the appeal of their work in their marketing efforts.

goal

In 2013 we make DAZL a reality. This year we will be setting up the platform, begin hosting content, start acquiring quality metadata, and develop the statistical package that we think will be a superb value-add for all rights holders who distribute their content through DAZL.

#### **APPENDIX B: Goal Statement**

The libraries of Arizona are building an ebook lending system based on library principles. The goals of the project are to develop a system that

- provides Arizona residents with easy access to a variety of ebooks
- provides Arizona content creators and rights holders with a simple and valuable distribution method for their work
- encourages librarians to participate in the ebook and reader relationship through traditional library services like readers advisory

**Appendix C: DAZL Report Arizona State Libraries** by Carson Block Consulting

**Appendix D: DAZL: Arizona Statewide Ebook Program** by the Bishoff Group and Tom Claeson